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SENATE BILL 676

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Mark Boitano

AN ACT

RELATING TO TAXATION; ENACTING A NEW SECTION OF THE INCOME TAX ACT TO PROVIDE A CREDIT FOR FAMILIES CARING FOR CHILDREN AT HOME.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] CREDIT FOR CHILD CARE AT HOME. --

A. A resident who files an individual New Mexico income tax return and who is not a dependent of another taxpayer may claim a credit of three hundred fifty dollars (\$350) for caring for one or more dependents at home during the taxable year if:

(1) the resident or, if a joint return is filed, one spouse is not gainfully employed for any period of

underscored material = new
[bracketed material] = delete

1 the taxable year for which the credit is claimed; and

2 (2) the resident or, if a joint return is
3 filed, the spouse that is not gainfully employed cares full
4 time for one or more qualifying dependents in the home for the
5 entire taxable year.

6 B. The credit provided in this section may only be
7 deducted from the taxpayer's New Mexico income tax liability
8 for the taxable year.

9 C. A husband and wife maintaining a household for
10 one or more qualifying dependents and filing separate returns
11 for a taxable year for which they could have filed a joint
12 return may each claim only one-half of the credit that would
13 have been claimed on a joint return.

14 D. As used in this section:

15 (1) "dependent" means "dependent" as defined
16 by Section 152 of the Internal Revenue Code;

17 (2) "gainfully employed" means working for
18 remuneration for others, either full time or part time, or
19 self-employment in a business, partnership or other legal
20 entity; and

21 (3) "qualifying dependent" means a dependent
22 who is twelve years of age or younger at the end of the taxable
23 year. "

24 Section 2. APPLICABILITY.--The provisions of this act
25 apply to taxable years beginning on or after January 1, 2003.

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